

Filed for intro on 02/15/95
Senate Bill _____
By _____

House No. HB1184
By Jones

AN ACT to amend Tennessee Code Annotated, Title 39, Chapter 17, Part 5, relating to Lotteries and gaming.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 39-17-501 and all subsequent sections of this Part 5, are renumbered beginning with "Definitions" as 39-17-502, and inserting a new Section 39-17-501, to read as follows:

SECTION 39-17-501. LOTTERIES.

(a) A person commits an offense who knowingly makes or aids in the making of any lottery. However, a person who owns or possesses in this state a lottery ticket originating from a state in which a lottery is lawful, does not make or aid in the making of a lottery as prohibited by this section, if such ticket is not owned or possessed for the purpose of resale.

(b) The Legislature recognizes that Article 11, Section 5 of the Tennessee Constitution prohibits the conducting of any lottery in this State and that, while not defining the term "lottery" Section 5 clearly contemplates, as indicated by specific language contained therein, that a lottery involves the sale of tickets and a drawing in

order to determine the winner. the Legislature also recognizes that Section 5 directs the Legislature to provide by law for the enforcement of its provisions. Therefore, in carrying out its duties under the Constitution and effectuating the intent of Section 5, the Legislature hereby finds that a lottery, as prohibited by the Constitution does not include all forms of gambling but means any activity in which:

1. The participant agrees to pay some monetary sum for a ticket, or slip of paper, upon which appear numbers for the purpose of identifying or designating a winner; and

2. The winning tickets, or slips of paper, are determined by a drawing of lots, based predominately upon the element of chance or random selection rather than upon the skill or judgment of the player; and

3. The holder of the winning tickets, or slips of paper, is to receive a prize or something of valuable consideration; and

4. The activity is conducted and participated in without regard to geographical location, with the player not being required to be present upon any particular premises or at any particular location in order to participate or to win.

(c) An offense under this Section is:

- (1) A class C misdemeanor if the aggregate amount of money involved in the lottery, is fifty dollars (\$50.00) or less;

- (2) A Class B misdemeanor if the aggregate amount of money involved in the lottery, is more than fifty dollars (\$50.00) but less than two hundred fifty dollars (\$250.00);

- (3) A Class A misdemeanor if the aggregate amount of money involved in the lottery , is two hundred fifty dollars(\$250.00) or more but less than ten thousand dollars (\$10,000); or

(4) A Class E felony if the amount of money involved in the lottery, is ten thousand dollars (\$10,000) or more.

(d) Forms of gaming not categorized as a lottery, shall be categorized as gambling and prohibited except as hereinafter controlled by succeeding sections of this Part 5, or licensed under Part 6.

SECTION 2. Tennessee Code Annotated, Section 39-17-502, Definitions" as renumbered, is amended by deleting line-item (5) in its entirety, and renumbering line-item (6) to line-item (5).

SECTION 3. Tennessee Code Annotated, Section 39-17-507, as renumbered, is amended to read as follows:

Section 39-17-507. Chain Letters and Pyramid Clubs.

(a) Membership in, or solicitation of persons for membership in any chain letter club, pyramid club, or other group organized under any plan whereby anything of value to be given by members thereof is to be given to any other member thereof, which plan includes any provision for the increase in membership through a chain process of new members securing other new members and thereby advancing themselves in the group to a position where such members in turn receive things of value from other members.

(b) Any offense under this section is:

(1) A Class C. misdemeanor if the aggregate amount of money involved in the chain letter, or pyramid club is fifty dollars (\$50.00) or less;

(2) A Class B. misdemeanor if the aggregate amount of money involved in the chain letter, or pyramid club is more than fifty dollars.

(\$50.00) but less than two hundred fifty dollars (\$250.00);

(3) A Class A. misdemeanor if the aggregate amount of money involved in the chain letter, or pyramid club is two hundred fifty dollars (\$250.00) or more but less than ten thousand dollars (\$10,000); or

(4) A Class E. felony if the amount of money involved in the chain letter or pyramid club is ten thousand dollars (\$10,000) or more.

SECTION 4. Tennessee Code Annotated, Section 39-17-508, as renumbered, is amended by deleting the words "a lottery" wherever same appears in said section, and substituting the word "gambling".

SECTION 5. All other Chapters, Sections and Parts of this Code not conforming to this act, and in conflict by terms and wording, are hereby repealed.

SECTION 6. This Act shall take effect on becoming law, the public welfare requiring it.